

Message Text

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TAGS: ELAB, CA

SUBJ: PUBLIC SECTOR NEGOTIATIONS REMAIN DEADLOCKED

REF: OTTAWA 571 AND 630

1. UNRESOLVED LABOR DISPUTES IN PUBLIC SECTOR HAVE TURNED INTO TEST OF STRENGTH BETWEEN GOC AND TRADE UNIONS AND HAVE SUBJECTED GOVERNMENT TO CONTINUING CRITICISM BY OPPOSITION IN PARLIAMENT.

2. IN TWO DEADLOCKED BUT SEPARATE NEGOTIATIONS, NAMELY MINT WORKERS (NOW IN ARBITRATION AFTER EIGHT-WEEK STRIKE) AND GENERAL LABOR AND TRADES GROUP (WHICH IS CONTINUING ROTATING STRIKES BEGUN FEB 17), GOC FOLLOWED WAGE GUIDELINES FOR PRESENT AND UPCOMING NEGOTIATIONS OF ABOUT 15 PERCENT INCREASE IN FIRST YEAR AND 10 PERCENT IN FINAL YEAR OF TWO-YEAR CONTRACTS. IN PARLIAMENTARY CONFRONTATION CABINET MINISTERS DEFENDED LEVEL OF OFFERS AS TOTALLY ADEQUATE AND CAUTIONED THAT GOC INTENDS TO BE "GOOD EMPLOYER" BUT NO PACESETTER FOR HIGHER SETTLEMENTS.

3. ON UNION SIDE SIMILAR COORDINATION OF WAGE DEMANDS IS APPARENT. BOTH GROUPS, AFFILIATED WITH POWERFUL

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AND INCREASINGLY MILITANT PUBLIC SERVICE ALLIANCE

OF CANADA ARE SEEKING APPROXIMATELY 21 PERCENT FOLLOWED BY 12 TO 14 PERCENT RAISE IN TWO-YEAR CONTRACTS. AS NOTED IN EMBASSY'S ANNUAL LABOR REPORT (A-62, FEB 3, 1975) THE 21-22 PERCENT ONE-YEAR SETTLEMENTS NEGOTIATED LAST DECEMBER IN RAILROADS AND ONTARIO CIVIL SERVICE ARE USED AS PATTERNS FOR UNION NEGOTIATORS. IN RESPONSE TO OPPOSITION PARTY PRESSURES GOC INSISTS THAT IT WILL PROSECUTE ANY OF THE 3,600 STRIKERS WHO ARE ON "ESSENTIAL SERVICES" LIST (A RATHER INEFFECTIVE WEAPON SINCE FINES ARE LOW AND FREQUENTLY STATUTE OF LIMITATION EXPIRES BEFORE CASE COMES TO TRIAL) AND THAT TREASURY BOARD IS PREPARED TO RESUME MEDIATION AT ANY TIME. GENERAL LABOR AND TRADES NEGOTIATORS ARE STALLING ON REOPENING MEDIATION TO MAINTAIN PRESSURE ON GOVERNMENT AND POSSIBLY TO AWAIT OUTCOME OF ARBITRATION IN MINT WORKERS DISPUTE.

4. ASIDE FROM SERIOUS INTERRUPTION OF WEST COAST GRAIN SHIPMENTS EVEN PRIOR TO LONGSHOREMEN STRIKE (SEE VANCOUVER 0178) SOME AIRPORT TIE-UPS AND MAIL INTERRUPTION, STRIKE HAS HAD NO MAJOR ECONOMIC IMPACT, BUT EVENTUAL SETTLEMENT MIGHT WELL BE INFLATION FEEDING TREND-SETTER FOR MANY FEDERAL AND PROVINCIAL CONTRACT NEGOTIATIONS ON HORIZON. SYMPTOMATIC IS LETTER CARRIERS UNION POSITION OF ACCEPTING NO LESS THAN GENERAL LABOR AND TRADES GROUP WILL OBTAIN (PLUS NEW JOB SECURITY PROVISIONS RELATING TO TECHNOLOGICAL IMPROVEMENT) WHEN ITS NEGOTIATIONS COMMENCE A FEW WEEKS HENCE.

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